



# BOARD OF COMMISSIONERS

1 S. Main St., 9th Floor  
Mount Clemens, Michigan 48043  
586-469-5125 FAX 586-469-5993  
[macombcountymi.gov/boardofcommissioners](http://macombcountymi.gov/boardofcommissioners)

NOVEMBER 25, 2008

## NOTICE OF MEETING

There will be a meeting of the **AD HOC COMMITTEE ON COUNTYWIDE ENERGY CONSERVATION** on Tuesday, December 2, 2008 at 10 a.m. or five minutes following the **Planning & Economic Development Committee meeting**, on the 9<sup>th</sup> Floor of the Administration Building, in the Board Room, Mt. Clemens.

## AGENDA

1. Call to Order
2. Pledge of Allegiance
3. Adoption of Agenda
4. Public Participation
5. Update on Energy Conservation Measures/Dillon Energy Services
6. Information Re: Transportation Gas/Contiguous/Non-Contiguous Status (attached)
7. Proposal by LPB Energy Management for Energy Management Solution (attached)

Corinne Bedard  
Committee Reporter

MEMBERS: DiMaria-Chair, Bruley, DeSaele and Crouchman (ex-officio)

## MACOMB COUNTY BOARD OF COMMISSIONERS

Andrey Duzyj - District 1  
Marvin E. Sauger - District 2  
Phillip A. DiMaria - District 3  
Jon M. Switalski - District 4  
Susan L. Doherty - District 5

Joan Flynn - District 6  
Sue Rocca - District 7  
David Flynn - District 8  
Robert Mijac - District 9  
Philis DeSaele - District 10

Ed Szczepanski - District 11  
Peter J. Lund - District 12  
Don Brown - District 13  
Brian Brdak - District 14  
Keith Rengert - District 15

William A. Crouchman  
District 23  
Chairman

Dana Camphous-Peterson  
District 18  
Vice-Chair

Leonard Haggerty  
District 21  
Sergeant-At-Arms

Carey Torrice - District 16  
Ed Bruley - District 17  
Paul Gielegem - District 19  
Kathy Tocco - District 20

Betty Slinde - District 22  
Sarah Roberts - District 24  
Kathy D. Vosburg - District 25  
Leon Drolet - District 26

RESOLUTION NO. \_\_\_\_\_

FULL BOARD MEETING DATE: \_\_\_\_\_

AGENDA ITEM: \_\_\_\_\_

**MACOMB COUNTY, MICHIGAN**

**RESOLUTION TO** receive and file the November 24, 2008 correspondence from the Facilities and Operations Department Director and Purchasing Manager regarding transportation gas/contiguous/non-contiguous status

**INTRODUCED BY:** Phillip DiMaria, Chair, Ad Hoc Committee on Countywide Energy Conservation

**COMMITTEE/MEETING DATE**

Ad Hoc 12-2-08



# FACILITIES & OPERATIONS DEPARTMENT

10 N. Main St., 13th Floor  
Mount Clemens, Michigan 48043  
586-469-5244 FAX 586-469-7770

Lynn M. Arnott-Bryks  
Director

Diane G. Connell  
Operations Supervisor

Larry K. Oakes  
Mechanical Systems Supervisor

TO: Commissioner Phillip A. DiMaria, Chairman  
Ad-Hoc on Energy Conservation

SUBJECT: Informational  
Transportation Gas  
Contiguous/Non-Contiguous Status

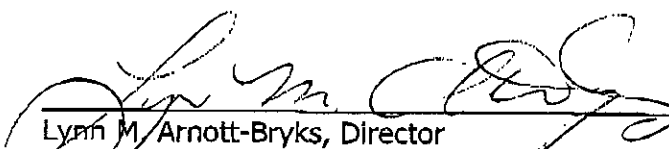
DATE: November 24, 2008

As previously communicated, in an attempt to save money, the Purchasing Department, along with our office, worked with Consumer's Energy and Exelon Energy so that smaller County buildings would qualify as contiguous and non-contiguous aggregates allowing for the purchase of natural gas at those locations under the Master Transportation Gas Account.

It is estimated the County would save approximately \$65,000.00 based upon 2008 consumption.

Should you have any further questions or require additional information, please contact the undersigned.

Respectfully,

  
Lynn M. Arnott-Bryks, Director  
Facilities & Operations Department

  
Polly A. Helzer, Manager  
Purchasing Department

LMAB:jsd

## MACOMB COUNTY BOARD OF COMMISSIONERS

Andrey Duzyj - District 1  
Mervin E. Sauger - District 2  
Phillip A. DiMaria - District 3  
Jon M. Switalaki - District 4  
Susan L. Doherty - District 5

Joan Flynn - District 6  
Sue Rooca - District 7  
David Flynn - District 8  
Robert Mijac - District 9  
Philis DeSaele - District 10

Ed Szczepanski - District 11  
Peter J. Lund - District 12  
Don Brown - District 13  
Brian Brdak - District 14  
Keith Reagent - District 15

William A. Crouchman  
District 23  
Chairman

Dana Camphous-Peterson  
District 18  
Vice-Chair

Leonard Haggerty  
District 21  
Sergeant-at-Arms

Carey Torrice - District 16  
Ed Bruley - District 17  
Paul Gieloghem - District 19  
Kathy Tocco - District 20

Betty Slinde - District 22  
Sarah Roberts - District 24  
Kathy D. Vosburg - District 25  
Leon Drolet - District 26

# **RECYCLABLE PAPER**

RESOLUTION NO. \_\_\_\_\_

FULL BOARD MEETING DATE: \_\_\_\_\_

AGENDA ITEM: \_\_\_\_\_

**MACOMB COUNTY, MICHIGAN**

RESOLUTION TO: Review proposal submitted by LPB Management

\_\_\_\_\_

INTRODUCED BY: Commissioner Phillip DiMaria, Chair

Ad-Hoc on Energy Conservation

COMMITTEE/MEETING DATE

Ad Hoc 12-2-08

\_\_\_\_\_

\_\_\_\_\_



Energy Management



Proposal for

**Macomb County**



To Provide An

**Energy Management  
Solution**

November 25, 2008

---

November 25, 2008

Macomb County  
Facilities & Operations Department  
Attn: Lynn Arnott-Bryks

Dear Ms. Arnot-Bryks:

LPB Energy Management (LPB) appreciates the opportunity to present Macomb County with our Proposal for Energy Management Services. LPB is a leading provider of energy cost analysis and utility bill processing in the United States. Distinguished for our technical sophistication and our expertise, our proven solutions have helped organizations reduce their energy costs significantly. LPB is a reliable private company with a growing base of satisfied clients.

In this proposal, LPB offers to provide managed services that include ongoing support, problem resolution, reporting and planning. I am confident that you will find LPB to be an exceptional partner, and we look forward to a long-term and mutually beneficial relationship. Should questions arise after your review of this proposal, please feel free to contact me, Jim Rosenthal, in my office at (972) 383-5200. I thank you in advance for considering us; we look forward to being of service to you.

Yours Truly,



Jim Rosenthal  
Executive Vice President



## Table of Contents

|   |           |
|---|-----------|
| <b>Executive Summary .....</b>                  | <b>4</b>  |
| <b>Utility Invoice Data Management.....</b>     | <b>6</b>  |
| Energy Management Reporting .....               | 7         |
| Invoice Payment & General Ledger Services ..... | 8         |
| ENERGY STAR® Partnering .....                   | 9         |
| <b>Utility Invoice Audit .....</b>              | <b>10</b> |
| <b>Proven Experience .....</b>                  | <b>12</b> |
| <b>Pricing Proposal .....</b>                   | <b>17</b> |
| <b>Proposer Information .....</b>               | <b>18</b> |





## Executive Summary

According to the Secretary of Energy, prices will continue to rise for at least the next three years. In order to better manage their energy costs and usage, many companies are realizing the benefits from the assistance of an experienced energy management company. Our clients seek solutions that could put them on the right course to control and or even reduce their energy expenses. A desirable solution would clearly identify areas of opportunity for cost reductions, increased operational efficiencies and an overall reduction in energy usage. Consumers who take charge of their costs and usage now will reap the benefits for years to come. The first crucial step towards taking charge of utility costs is knowing what you use, where you use it, and how much it costs.



LPB helps its clients find savings and revenue opportunities with the highest returns. Depending on the client, the highest return may come through one or a combination of any of LPB's four solution offerings:

- 1. Energy Procurement Consulting Services**
- 2. Utility Invoice Data Management**
- 3. Utility Invoice Audit**
- 4. Utility Manager™ Software**

LPB views your business as a whole. We have no inherent bias as to which savings and revenue avenue you choose, we help you choose the one(s) that yields the optimal return for your organization. In this respect, we differ from companies that offer only procurement or bill management support. Those companies will push the single service that they offer and ignore other potential savings opportunities.

To best serve Macomb County's needs and create the best return on your investment, LPB proposes a solution that will include a combination of our Utility Invoice Data Management and Utility Invoice Audit services. Utility Bill Management and Processing Support are both areas of expertise at LPB. As such, we can input clients' usage and billing data and then either send the client an electronic file compatible with the client's accounting system, or even pay the bills on the client's behalf. With both processes we relieve the client of the burden of data entry and input errors. LPB does not use subcontractors for bill payment, processing or programming. Everything is done by LPB employees. LPB is the industry leader in energy bill management, leveraging our expertise into energy savings for each of our clients. Our extensive client list includes state governments and Fortune 500 companies.

Our solution will create the ability to analyze individual facility usage, prepare bills for payment, verify savings from efficiency initiatives, identify potential billing errors and provide clear and meaningful reporting a client's overall energy situation. Additionally, our clients are able to spot usage anomalies, track and compare usage and costs at different sites, identify trends, make accurate projections and create sophisticated forecasts and budgets. Adjustments can also be made to the data to account for weather abnormalities to more effectively compare usage year-over-year. Baselines can be established for use in connection with performance contracts and



adjusted to account for operational changes. Finally, employee and organizational energy usage modifications will be easily measured by a proven energy tracking system.

A second crucial step in asserting control over energy costs is to undergo a comprehensive utility bill audit solution for electricity, natural gas, water and sewer. Our clients wisely seek a clear picture of their energy operations and costs. When presented with this picture, they are able to identify opportunities for efficiency and savings, ensuring long-term value. Having delivered successful utility billing audits to clients nationwide, for the past 17 years, LPB's audit team (formerly Jenkins and Roland) understands the importance of, and has a proven track record in, meeting two objectives: **1) Recovering Capital** by obtaining credits and refunds from overcharges that have occurred in past billings, and **2) Creating Cost Savings** by identifying all applicable measures to bring utility expenses to the lowest possible level.

LPB's audit team also understands it is imperative that an audit project be conducted in a manner that minimizes the impact on the client's staff time and resources. The high level of importance attached to this understanding has resulted in the development of a methodology over the years to ensure as transparent a process as possible while still meeting the stated objectives for the audit through conducting a thorough and complete analysis of each utility account.

Finally, both the Utility Manager™ (UM) Server and Utility Manager™ (UM) Pro application delivers value to multiple-site organizations by making the process of utility bill management from receipt through to payment easy and efficient. With this robust program, clients can spot billing errors and consumption anomalies, track and compare facilities, identify trends, make accurate projections, and create sophisticated forecasts and budgets. By fully integrating the chosen UM software with an existing utility management program, organizations can save time and money from their annual budgets. Additionally, the application is flexible in that it can interface directly with existing accounting software programs



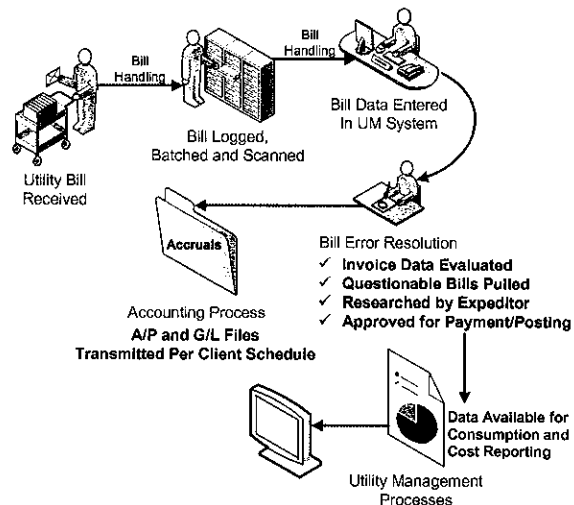
LPB is committed to reviewing your total operation to afford you maximum savings and revenue. Our biggest competitive value is that LPB has more than one avenue to offer clients in order to realize cost savings. While many other companies offer some of the services provided by LPB, no other energy management firm matches our complete array of services with the same depth of knowledge and experience. Through LPB's technologies and efficiencies, as well as our comprehensive approach to reducing energy costs, we are able to significantly reduce our client's utility costs. Our clients find that LPB is flexible, easy to work with, and committed to your program's success. We understand that our success depends on your satisfaction, so we will work with you to accommodate changes in your program's model or strategic direction. We believe that LPB is the service provider you seek.



## Utility Invoice Data Management

You need detailed data and thorough analysis of utility costs and usage in order to make informed decisions in an increasingly complex utility environment. At the heart of our energy management service is our award-winning Utility Manager™ ("UM") software. This software can organize, analyze, and report on utility usage and costs. How you proceed down the path of effective utility data management is up to you. LPB supports the method of utility data collection that works best for you, whether it is importing or manually inputting data into our software. LPB offers the additional option of managing the data input function through our in-house data experts. Unlike our competitors, because LPB offers a comprehensive approach to energy management, we do not have a vested interest in how you collect and store data in the UM database. The important thing is collecting your data in a manner that facilitates reporting and analysis using UM software and seizing the savings and revenue opportunities that come from good data and powerful software.

LPB has an established process for the initial setup and conversion of the database and data, in order to secure quality and accuracy. To begin, LPB would receive electronic files of historical data directly from the client (if available) and convert them to a compatible format. The files would then be imported and data verification reports run to ensure the converted data is accurate. Any identified problems would be quickly addressed. If no historical data is available in electronic format, LPB will collect the actual invoice copies, either from the client or from the service provider. We will then manually enter this information into the system.



Once the data has been imported and verified, bill entry templates would be established for each account in the original database and for each new account that is added. The templates facilitate accurate data entry. Each template contains all of the line-item detail needed for each account and eliminates the risk of omitting data that is required to process the bill accurately. LPB would then run UM system checks on the historical data for overlapping billing periods, usage, cost, or billing abnormalities. Billing gaps and unusual patterns can be identified and further investigated if the client chooses to have us make historical adjustments to the converted data. All live bills that fail system checks would be reviewed and the resolution documented. These features allow us to review and compare current bills against historical patterns to ensure that the energy provider's billing is accurate.

To gather data going forward, LPB will obtain billing information either directly from the utility companies or from the client and input the bills into UM daily. We would review all bills that fail system checks for data entry errors. Any discrepancies not resolved at this point would be



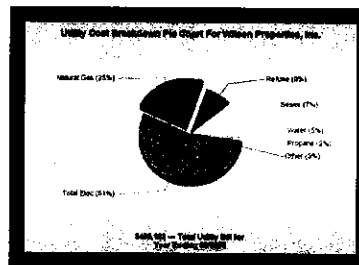
passed on to our bill analysis team for review and researched for prior history and notes. Direct contact would be made with the utility provider if necessary. Once the data is verified, it is posted for viewing on-line via our on line reporting applications (described in the Energy Management Reporting section).

Each client is provided with at least one LPB specialist on the processing team who serves as a main contact point. Additionally, our project manager and director would be available to handle any unusual transactions or questions. LPB exceeds a 99% accuracy rate for manual data entry. An important item of note is that many vendors outsource the processing to third parties. **Our clients have peace of mind in knowing our in-house utility experts would directly process the utility bills and LPB will never defer responsibility.**

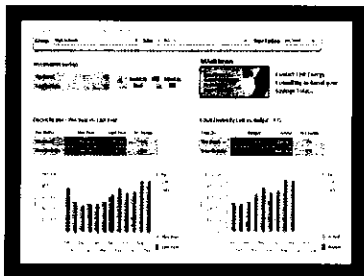
**Data Integration:** LPB has extensive experience in implementing electronic billing and payment with utilities. On behalf of numerous clients we have obtained and utilized electronic data from utility companies throughout the United States. Whether they are text files, spreadsheets or ANSI X12 EDI data, our team can fully utilize the data a utility provider can supply. Moreover, we can create customized data import formats to allow for the monthly importing of data files from utility vendors to the extent such files are available.

## Energy Management Reporting

Once the data is collected and input into a UM database, the analytical work begins. Our clients and LPB utilize this data to identify savings opportunities. UM can generate hundreds and even thousands (depending on the number of facilities being reported on) of different reports on energy and utility usage. The following commodities can be tracked in the software: electricity, natural gas, propane, water, sewer, trash, recycling, and carbon emissions.



LPB offers web-based reporting through our expansive UM application. By employing UM, our client are able to identify usage anomalies, track and compare usage and costs at different sites, identify trends, make accurate projections and create sophisticated forecasts and budgets. UM can also account for weather abnormalities to more effectively compare usage year-over-year. Baselines can be established for use in connection with performance contracts and to account for operational changes. Clients can upload usage data into the EPA's ENERGY STAR® Portfolio Manager to obtain an ENERGY STAR® score.



UM is powerful reporting tool, capable of producing numerous reports on utility usage and billing data. The program helps energy management professionals to understand how facilities operate and thereby increase efficiency. Reports are offered that detail the following: usage, cost, budget versus actual expenditures, cost variance, and facility benchmarking summaries. Additionally, we offer reports on energy, fossil fuels, combined utility usage and costs, and carbon emissions. Finally,



LPB can program data conversions and exports to accommodate any system, so data formats won't be an issue. UM is the ideal tool to fulfill the necessity of tracking utility usage and cost data. The path to the solution to any utility usage issue is found in Utility Manager™.

## **Invoice Payment & General Ledger Services**

LPB can collect bill data prior to payment or after. With the post-payment option, a client simply forwards invoice copies to LPB after paying them and LPB enters the data into that client's UM database for viewing via UM. We can receive bill copies via e-mail, fax, mail, or FTP on any schedule CLIENT chooses to implement.

LPB's second option is to provide prepayment processing of utility bills. Concurrent with database construction and data conversion, LPB would redirect all of a client's utility bills to our service bureau. LPB would facilitate the billing address changes with each vendor and would establish interim procedures while the address changes are pending. After bills are received, the due date would be checked and we would verify that the client has sufficient time for LPB to enter the bill information and for checks to be issued, without being overdue. If sufficient time is not available, the bill would be pulled for expedited processing. LPB can also provide a file of general ledger information for clients either daily, weekly, or monthly. LPB has years of experience programming interfaces to countless accounts payable and general ledger systems. We work hard to ensure that the programming and delivery of needed interfaces is a smooth and seamless process.

When employing LPB's prepayment processing solution, clients have two different bill payment options. Our first option is to prepare an electronic file, custom programmed to be compatible with each client's accounting system, containing all of the billing information captured recently. This payment service provides maximum flexibility to our clients by ensuring that the client controls the issuance of the actual payment, while relieving them of the burden of entering payment data. The interval for transmission of electronic file will be determined by the client. LPB will email this file to designated personnel who can then upload it into their accounting system for prompt payment. LPB has the ability to submit accounting files in multiple formats and transfer methods.

The second payment option we are pleased to offer is to have LPB pay the utility invoices on our client's behalf. This method would require the creation of an LPB bank account to hold client funds. Clients would have the choice of either pre-funding this account or designating an individual to be notified when funds are required. This designated individual would be given the amount needed and the amount of time available to fund the account. LPB would monitor this account daily. During the implementation phase, would create an escalation plan in case the account funding is ever too low and payment deadlines are looming near. As a result of this payment option, all utility bills would be paid by LPB and we would then either submit a file that will integrate with the client's general ledger or create a custom payment report, which ever is preferred.



## ENERGY STAR® Partnering

In 1996, the Environmental Protection Agency (EPA) and the Department of Energy (DOE) began ENERGY STAR®, a voluntary labeling program to help consumers and organizations save money and protect the environment by reducing energy usage. The ENERGY STAR® label is now on all major appliances, office equipment, lighting, home electronics, new homes, commercial and industrial buildings. As a result, over 70% of Americans recognize the ENERGY STAR® label. Companies and organizations quickly discovered that not only could becoming an ENERGY STAR® partner help them reduce energy costs, but it was also a great promotional tool. LPB encourages our clients to become ENERGY STAR® partners for both of these reasons. **We will handle the entire process, from submitting the required paperwork to tracking your usage and generating optimal promotional value from your partnership.**



To be an ENERGY STAR® partner, participants must track their energy usage data, create a plan to achieve reductions in their energy usage and educate their employees on these initiatives. LPB's solution enables our clients to achieve all three of these ENERGY STAR® objectives. **LPB is one of a select few service providers that offer automated ENERGY STAR® benchmarking. Utility Manager™ interfaces seamlessly with Portfolio Manager, the ENERGY STAR® benchmarking program.**



Even if you are not in a benchmarked industry you can still become an ENERGY STAR® partner and use the logo to demonstrate to your customers and staff your commitment to energy efficiency. It is important to note that no capital investment is required to become an ENERGY STAR® Partner, which makes LPB's program a great way to realize value from the ENERGY STAR® Program without having to allocate capital improvement dollars. LPB encourages ENERGY STAR® Partners to use the ENERGY STAR® logo on all written marketing materials. If a client chooses to be an ENERGY STAR® partner it would be necessary to have all utility bills processed by LPB. In order to be established as an ENERGY STAR® partner, all energy services that can be

tracked as a BTU (electricity, natural gas, propane and fuel oil) must be tracked within UM. Inputting data in a UM database is the first step. LPB would take care of the rest and would help get the most out of the ENERGY STAR® program



## Utility Invoice Audit

LPB maintains a permanent full-time Utility Invoice Audit staff of 11 people, with combined experience of 72 years. This group of dedicated professionals devotes all of their time and attention to the following activities:

- ***analyzing account histories obtained from utility providers for the purpose of confirming whether rates are being applied correctly***
- ***reviewing energy supply contracts to ensure vendor compliance with the terms of the signed agreement***
- ***investigating cost and usage abnormalities for potential billing errors and service delivery issues***
- ***negotiating credit adjustments, refunds, and future cost adjustments***
- ***requesting rate changes***

The Historical Utility Invoice Audit service that LPB provides begins with LPB developing a thorough understanding of the client, and the facilities they operate. In this regard, LPB's audit analysts may, on occasion, contact the client's facility managers to make inquiries regarding facility type, use, size, operating hours, and other information that may be helpful in identifying abnormalities in usage patterns, and opportunities for rate changes. LPB's audit analysts are typically careful to ensure that they do *not* inspect historical invoices prior to obtaining an understanding of the client's facilities. This is done in order to ensure that the information from the historical invoices does not directly or indirectly influence initial analytical determination of the optimal rate structure and usage pattern for a particular facility.

At the same time that LPB's audit analysts are first engaged in obtaining a comprehensive understanding of the client's facilities, LPB's audit coordinators solicit from the client one complete invoice for each of the utility accounts that will be audited, and collect and organize identifying information for these accounts. Using this identifying information, LPB creates Letters of Authorization, that will be executed by a representative of the client, and that will enable LPB to obtain utility account histories directly from utility service providers. Analysis is performed by LPB on utility account histories to confirm that services were billed correctly, and to identify opportunities for credits, refunds, future cost reductions, and rate changes.



From this point forward, LPB works largely independently from the client, while keeping the client informed of progress, and occasionally contacting the client for clarifications and additional requests for facility-related information, that may be required in order to uncover savings opportunities.



LPB employs a "turnkey" methodology for revenue recovery during the historical billing audit, with minimal demands placed on the client's time. LPB handles all communication with the utility vendors, to negotiate credits, refunds, and rate changes. Our audit team is experienced and skilled at negotiating resolutions to complex billing errors, while maximizing the amount of the recovery for our client.

At the conclusion of the audit, LPB provides a complete written report detailing:

- ***Billing errors identified during the audit which were corrected and resulted in a credit adjustment or refund, including a calculation of the net benefit to the client.***
- ***A summary of rate changes or other account changes implemented by LPB that result in ongoing future savings, including an estimate of the first-year savings based on historical usage patterns observed.***
- ***Observance through the audit by LPB of accounts for which the client may have been undercharged, potentially resulting in a liability to the utility vendor. LPB will include an estimate of the current amount of a potential liability based on prior billings.***
- ***A summary of the total financial benefit to the client, including total credit adjustments and refunds, total estimated first-year savings, and total LPB fees.***





## Utility Manager™

LPB is pleased to offer to our award winning Utility Manager™ ("UM") software for purchase. In this situation, our clients assume the responsibility for entering and analyzing utility data on their own. UM will track all utility costs: electricity, gas, propane, water, steam, recycling, sewer, refuse and more. UM accommodates an unlimited number of years of historical data and a twelve year period of reports. It offers unlimited site groups and site categories.

The UM software will support efficient payment of your utility bills while substantially reducing the cost of processing. The application has been designed to eliminate unnecessary keystrokes, increase initial data accuracy, virtually eliminate rework and optimize the workflow process. In addition, utilities frequently make mistakes in billing. UM will automatically identify billing errors with comprehensive programmatic checks. It easily identifies anomalies in usage and cost, incorrect meter readings, duplicate bills, and more.

Capturing accurate data on hundreds or thousands of utility bills a month can be challenging. UM helps your organization by making this process easier and more precise through its EDI and data entry functions. Utilizing UM's twenty-three programmatic checks, and built-in bill approval system, your organization can quickly identify billing errors and ensure accurate data capture at the source. Plus, UM can assist your organization in reducing late fees. It can automatically send "bills to be paid" to Accounts Payable based on billing cycle days and alert you of missing bills.

You need detailed data and thorough analysis of utility costs and usage in order to make informed decisions in an increasingly complex utility environment. The important thing is collecting your data in a manner that facilitates reporting and analysis using UM software and seizing the savings and revenue opportunities that come from good data and powerful software.

### Software Capabilities

- Our UM software is already programmed with the ability to convert all units of energy to BTUs. It also provides combined BTU reporting.
- Our UM software offering has the pre-existing programming to report on both actual and normalized calendars.
- Our UM software includes a billing review and audit function that provides control over approximately 23 individual analysis parameters.
- Our UM system allows clients to track each stage of the invoice payment process, including invoice date, date of payment, date of settlement, check number, or ACH ID.
- Our UM software supports the creation of as many individual line item definitions as are necessary to effectively track the client's usage, demand, and cost in a deregulated energy environment.



- Our system can use any user-defined twelve month period as a baseline year and can establish performance indices for each hierarchical level to support subsequent benchmarking and annual program measures.
- Our UM software can track individual facility performance against budget, benchmarks, or other facilities. UM will compare facilities to target those with the greatest savings potential. Our report screens can display:
  - Total energy cost over the past year
  - Site-based energy cost performance showing the outliers compared against averages and across the organization
  - Budget and forecast for the month, year to date, and remaining periods
  - Previous day's interval data profile
  - Energy cost savings for the month, year to date, and previous year
- UM software employs a set of factors developed by the Environmental Protection Agency (EPA) to translate energy use into equivalent emissions of CO<sub>2</sub>. The software will support efforts to understand and manage greenhouse gas emissions by providing reports that quantify CO<sub>2</sub> emissions, identify opportunities for reduction, and measure reductions over time.

It is assumed that the UM client software would be installed on the workstations/server by your IT staff with assistance, if required, by LPB's software technical team. The UM software can be easily downloaded from the internet or LPB can ship a CD. Either option includes a menu-driven installation wizard and written instructions to ensure an easy installation.

**Training and Support:** LPB would provide detailed operator manuals in addition to thorough hands-on training and technical phone support. The LPB team would provide training sessions by web-cast. The primary training component of this project would be hands-on training for UM to ensure all appropriate personnel are fully trained on all aspects of the applications. These web-based trainings would be expected to be no more than 30–60 minutes in length and provided via "WebEx". On-Site training can be made available but would require further conversations to determine the associated costs and logistical requirements. Additionally, the LPB team can provide support during and after project implementation. We are pleased to provide support staff from 8:00 AM – 5:00 PM Central time Monday – Friday, as well as providing access to email requests for technical support.



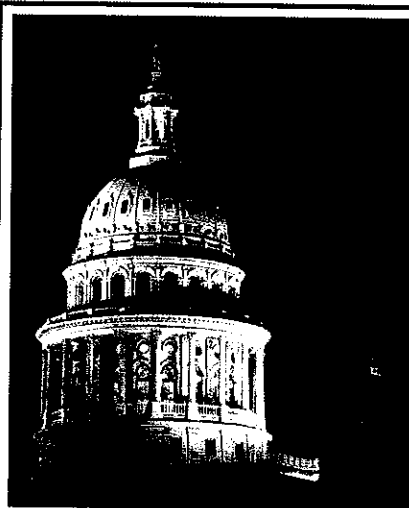


## Proven Experience

LPB Energy Management (LPB) is a full-service energy management firm offering clients support in energy procurement, utility bill management, bill processing and payment, utility bill audit and energy efficiency. In 1999, Matthew Berke (company president) founded LPB. Our commitment to our clients and our cultivated expertise has contributed to our rapid national growth. As we gained expertise as procurement specialists, we quickly discovered the crucial role that accurate and easily accessible utility bill data plays in reducing utility costs. As a result, in 2006, we purchased Save More Resources, Inc. (SMR), the owner and developer of the award-winning Utility Manager™ suite of software products. In addition to being the architects of Utility Manager™ software, SMR had established the nation's highest quality Service Bureau. The Service Bureau processes thousands of invoices daily for some very high profile clients. In 2007, we processed more than 415,000 utility bills while maintaining a 99% accuracy rate. The combination of software and bill processing expertise made the SMR operation a perfect complement to LPB's already thriving energy management practice. LPB's audit team came into existence with the acquisition of Jenkins & Roland in 2007. The members of this team have been conducting audits for government and private clients for 17 years, generating significant refunds as well as prospectively optimizing tariff classifications.

While growing other parts of our organization, LPB has remained one of the top procurement consultants. Our superior market analysis team and experienced contract negotiators make sure clients get the best market advice as well as contract terms and conditions. Over the past five years our company has grown from a small company of five people to approximately 110 associates. Additionally, during that same time frame, LPB increased our client roster by approximately 800 new clients. LPB is proud to manage numerous sites across the country. We currently have 19,578 sites under contract for procurement services.

**LPB presents the following examples of existing clients whom have accomplished desirable return on investments, by utilizing our proposed solutions.**



**LPB was chosen by the State of Texas to implement and manage a forward-thinking full energy management program.**

**This contract award came after participating in an extremely competitive decision making process, overseen by the Council of Competitive Government.**



### **Bill Processing - National Grocery Store Chain**

LPB was employed by a national grocery store chain for utility bill processing on behalf of their retailer's thousands of sites. This client sought LPB's assistance in saving annual utility costs. LPB's objectives in this pursuit was to assist the client in the following: identifying utility costs; reviewing and comparing utility data; stop having to pay late fees; do benchmarking; understand consumption; and effectively analyze their data.

LPB began live processing of data from ten divisions; converting the files to the LPB Service Bureau within the first few months. As acquisitions occurred throughout our client's chain, the number of their sites increased dramatically. LPB met the customer's needs and used a phased-in approach to input the data and convert the multiple divisions into the new bill processing system. Soon the entire chain was using LPB's Service Bureau to process bills as well as our online reporting application.

LPB helped this client begin to save costs by providing superior data accuracy; more efficient bill processing; improved data access; bill auditing and verification; and concise and informative reports. As a result of LPB's involvement, the client now saves 10% in annual utility costs. As a direct result of LPB's solution our client has saved over 50 million dollars in the past four years.

### **Bill Processing - International Warehouse Chain**

LPB's client is a major international chain of member warehouses and we have helped monitor usage patterns for hundreds of their stores in two countries, totaling thousands of utility accounts. This client sought LPB's assistance in capturing usage and cost data for each utility bill for thousands of accounts. LPB's objectives in this pursuit was to help the client do the following: generate useful reports to better manage their utility spending and effectively buy energy in the deregulated marketplace; improve the quality of data and reporting functions needed to track cost and consumption; rearrange the data so they could analyze it in different ways; compare usage by facility; separate out the different commodities; aggregate data to negotiate more cost-effective energy contracts; and provide the tools to get approval from management on energy savings initiatives.

After LPB started discussions with the client, LPB Energy Management converted the historical data from their existing database and translated it for use with LPB Energy Management's Utility Manager™ (UM) software. LPB Energy Management then ran a cleanup effort to identify and fix historical errors and retrieve missing bills from the utility companies.

Once the history was repaired and the database was populated, the Company began using UM Service Bureau, LPB Energy Management's outsourced utility bill processing service, to capture the cost and usage data from utility bills so that they could make informed decisions on their energy management. The data collected can be accessed by the client via the Internet and manipulated in multiple ways to produce reports for analysis.

As a result of LPB's involvement, the client is now able to track cost and consumption, both by facility and commodity, as well as validate savings through the reporting available to them via UM Service Bureau. They're also able to analyze their rates and tariffs and renegotiate contracts with a resultant savings of \$500,000 to \$2,000,000 annually. By having the information



they need to buy energy more efficiently, the client has reduced the time it takes to negotiate a contract from more than a month to less than ten days, and renegotiations of existing contracts can be turned around in less than 24 hours. In addition, LPB Energy Management proactively and continuously monitors the company's usage patterns and contacts utility companies for meter re-reads if a bill seems out of line, resulting in even more savings.

### **Utility Invoice Audit Experience**

**When reviewing the proposed solution, we would like to point out that these services provide long term savings as well as the immediate return on investment.** As a result, the cost for these services may be misleading at first, until the cost avoidance opportunities are factored in as well. The following are high level examples of historical audits provided by the LPB Energy Audit team.

1. LPB was employed by a client that owned and operated assisted living centers. LPB provided bill audit services for two of its facilities. For the first facility, we did a rate comparison between the current Monthly General Service (MGS) and the Annual General Service (AGS) rate and determined that the AGS rate yielded significant savings. We requested a rate change from MGS to AGS and a re-bill of the account retroactive to the first bill period in August. The rate change was effective January 15<sup>th</sup> and the account was credited \$3,179.55. The estimated annual savings was \$7,491.86.

For the second facility, we did a rate comparison between the current Monthly General Service (MGS) and the Annual General Service (AGS) rate and determined that the AGS rate yielded significant savings. We contacted the utility to request the rate change, which was made in December of that year. The estimated first-year savings was \$15,459.82.

2. LPB's audit team was employed by a restaurant client. During the course of the audit, LPB discovered electric demand meters not reset resulting in a \$10,500 credit.
3. LPB was employed by two separate retail clients for bill audit services. Our first audit discovered incorrectly assigned electric meters which resulted in a \$360,000 refund. This was a landlord-tenant issue and not a utility issue. During the course of the second audit, LPB discovered an incorrectly assigned gas meter by the landlord which resulted in a \$93,100 annual saving for our client.



## Pricing Proposal

**Utility Invoice Processing:** LPB proposes to provide our Utility Invoice Data Management services for the costs listed below. We have provided a solution for both pre-payment or post-payment. All setup and costs have been incorporated into the monthly processing fee. Both solutions assume 90 metered accounts, a 36 month contract term and include database population of 12 months of historical data. Our Pre-Payment Solution includes one AP feed per week and Utility Manager™ Online. Also included in either solution is a detailed, downloadable manual for UM Online as well as two, one hour training sessions provided via WebEx.

**Pre-Payment Processing: \$643.33/mo**

OR

**Post-Payment Processing: \$487.77/mo.**

**Note:** Any metered accounts added to the assumed 90 metered accounts will be billed at an additional \$7.25 for Pre-Payment and \$5.50 for Post-Payment (per meter, per month).

**Utility Manager™:** Alternatively, LPB can offer the County the opportunity to license our Utility Manager™ software for the costs listed below. Both products include the first year of technical support at no cost as well as a renewable annual technical support agreement. This support agreement provides users with access to support staff from 8:00 AM – 5:00 PM Central time Monday – Friday. Additionally, users have access to both email requests for technical support and an online site for technical support.

**Utility Manager Pro (Single User): \$7,500 licensing fee**

OR

**Utility Manager Server (Multiple Users): \$25,000 licensing fee**

**Utility Invoice Audit:** LPB proposes to offer our Historical Utility Invoice Audit services on a percentage of proceeds schedule. Macomb County and LPB will share the amount of credit and refunds which result from LPB's successful recovery of billing errors identified and corrected through the audit as follows:

**Macomb County's Percentage Share: 60%**

**LPB's Percentage Share: 40%**

Macomb County and LPB will share future savings for a period of 24 months from the first date of realized cost reductions as follows:

**Macomb County's Percentage Share: 60%**

**LPB's Percentage Share: 40%**



## Proposer Information

For more information, please contact:

**Jim Rosenthal**

Executive Vice President

**Office:** (972) 383-5200

**Fax:** (972) 383-8200

**Email:** jim.rosenthal@lpbenergy.com



**LPB Corporate Office:**

**LPB Energy Management**

12700 Park Central Drive

Suite 200

Dallas, TX 75251

**Toll Free:** 877.946.9463

**www.lpbenergy.com**